

Ch. 560
Pub. 519

LAWS OF 83rd CONGRESS - 2nd SESSION

July 22

**PUBLIC BUILDINGS PURCHASE CONTRACT ACT OF 1954
POST OFFICE DEPARTMENT PROPERTY ACT OF 1954**

See Legislative History, p. 4123

Chapter 560--Public Law 519
(H. R. 6342)

An Act to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

TITLE I--GENERAL SERVICES ADMINISTRATION

Sec. 101. The Public Buildings Act of 1949 is amended by (1) redesignating section 411 thereof as section 412, and (2) inserting, immediately after section 410 thereof, the following new section:

"Sec. 411. (a) Whenever the Administrator of General Services determines that (1) the needs for space for the permanent activities of the Federal Government in any particular area cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, and (2), the best interests of the United States will be served by taking action hereunder, he is hereby authorized to obtain and provide space for the accommodation of activities of the Government in the several States, the District of Columbia, and the Territories and possessions of the United States (including Guam), except for the accommodation of activities of the Post Office Department, by negotiating and entering into purchase contracts, the terms of which shall not be less than ten nor more than twenty-five years and which shall provide in each case that title to the property shall vest in the United States at or before the expiration of the contract term and upon fulfillment of the terms and conditions stipulated in each of such purchase contracts. Such terms and conditions shall include provision for the application to the purchase price agreed upon therein of installment payments made thereunder including provision for the exchange of surplus real property or real property which may become surplus as a result of such agreement, where the Administrator determines that the best interests of the Government in economy and efficiency of operation will be served. Every purchase contract entered into pursuant to this title shall provide for equal annual payments for the

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amortization of principal with interest thereon and the Administrator shall not enter into any such contract unless the amount of the annual payment required by such contract plus the aggregate of the annual payments required by all other purchase contracts entered into during the same fiscal year do not exceed the specific limitations on such payments which shall be provided in appropriation acts:

Provided, That prior to July 1, 1955, a limitation of not to exceed \$5,000,000 is hereby established for such purpose.

"(b) The Administrator of General Services is authorized to exercise the powers granted in this section with respect to existing properties, including those for which conversions, additions, extensions, or remodeling may be required, and properties upon which construction is to be subsequently effected in pursuance of the terms of applicable purchase contracts.

"(c) The Administrator of General Services is authorized to enter into agreements with any person, copartnership, corporation, or other public or private entity, to effectuate any of the purposes of this section; and is further authorized to bring about the development and improvement of any land owned by the United States and under the control of the General Services Administration including the demolition of obsolete and outmoded structures situated thereon, by providing for the construction thereon by others of such structures and facilities as shall be the subject of the applicable purchase contracts.

"(d) Each such purchase contract shall include such provisions as the Administrator of General Services, in his discretion, shall deem to be in the best interests of the United States and appropriate to secure the performance of the obligations imposed upon the party or parties that shall enter into such agreement with the United States: Provided, That no such agreement may provide for the payment by the United States in pursuance of the terms thereof of moneys in an aggregate annual amount in excess of 15 per centum of the appraised fair market value of the property at the date of the purchase contract, or in the case of property where construction shall not have been completed at that date in excess of 15 per centum of the fair market value at the date of completion of such construction. No such purchase contract shall provide for any payments to be made by the United States in excess of the amount necessary, as determined by the Administrator, to--

"(1) amortize--

"(A) the cost of improvements to be constructed plus the fair market value, on the date of the agreement, of the site, if owned or acquired by the contractor; or

"(B) the fair market value, on the date of the agreement, of completed improvements together with the site thereof; or

"(C) a combination of the foregoing in the case of existing improvements to be remodeled by the contractor; and

"(2) provide a reasonable rate of interest on the outstanding

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principal as determined under (1) above; and

"(3) reimburse the contractor for the cost of any other obligations assumed by him under the contract, including (but not limited to) payment of taxes, costs of carrying appropriate insurance, and costs of repair and maintenance if so assumed by the contractor.

"(e) No proposed purchase contract agreement shall be executed under this section unless such agreement has been approved by the Director of the Bureau of the Budget, as evidenced by a written statement of such officer to the effect that the execution of such agreement is necessary and is in conformity with the policy of the President. No appropriations shall be made for purchase contract projects which have not been approved by resolutions adopted by the Committees on Public Works of the Senate and House of Representatives, respectively, within three years after the date of enactment of this Act. For the purpose of securing consideration of said approval the Administrator shall transmit to each such Committee a prospectus of the proposed project, including (but not limited)--

"(1) a brief description of the building located or to be erected at a given location;

"(2) an estimate of the maximum cost of site and building together with the term of years over which payments would run and the maximum rate of interest that would be acceptable for any deferred part of such cost;

"(3) a certificate of need for the space signed by the head of the agency or agencies which will use the facility;

"(4) a statement by the Administrator of the General Services Administration that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the contract proposed;

"(5) a statement of the managerial, custodial, heat and utility services to be provided by the contractor, or an estimate of their probable cost if to be supplied in any part by the Government;

"(6) a statement of the requirements for tax liability, upkeep and maintenance of the property by either the contractor or the Government during the period of the contract;

"(7) a statement of rents and other housing costs currently being paid by the Government for any agencies to be housed in the building to be erected; and

"(8) a statement in writing by the Director of the Bureau of the Budget that the project is necessary and in conformity with the policy of the President.

"(f) Funds now or hereafter available for the payment of rent and related charges for premises, whether appropriated directly to the General Services Administration or to any other agency of the

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Government and received by said Administration for such purpose, may be utilized by the Administrator of General Services to make payments becoming due from time to time from the United States as current charges in connection with agreements entered into under authority of this section: Provided, That no such funds may be expended for acquisition of title to the property covered by any such agreement prior to the expiration of the contract term specified therein (whether by exercise of option to purchase or otherwise) in the absence of specific appropriation of funds for such acquisition, which appropriations are hereby authorized; Provided further, That the value of any Government real property to be exchanged under any such agreement may be credited at the time of exchange to the payments to be made by the United States thereunder: Provided further, That Government real property to be exchanged may be credited in whole or in part to the purchase price of the property for which it is exchanged, except that where the amount of the credit for the real property to be exchanged exceeds the amount of the purchase price, the amount of the remaining proceeds shall, except as provided in section 205 of the Post Office Department Property Act of 1954, be covered into the miscellaneous receipts of the Treasury of the United States.

"(g) When requested by the Postmaster General, the Administrator of General Services is hereby authorized to exercise the authority vested in him by this section (1) to acquire property for postal purposes, or (2) to provide space for postal purposes in buildings acquire under this section for other purposes.

"(h) With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.

"(i) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of this section and the application thereof to other persons or circumstances shall not be affected thereby.

"(j) (1) Section 302(c) of the Federal Property and Administrative Services Act of 1949 and section 355 of the Revised Statutes, as amended (50 U.S.C. 175), shall apply to purchase contract agreements entered into under this section, except that any such agreement may be entered into and placed in effect after request for but prior to receipt of an opinion of the Attorney General with respect to the validity of title to the property described therein.

"(2) Except as provided by paragraph (1) of this subsection, sections 3733, 3734, and 3736 of the Revised Statutes, as amended (40 U.S.C. 259; 41 U.S.C. 12, 14); section 1 of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34); section 3 of the Act of August 27, 1935, as amended (60 Stat. 257; 40 U.S.C. 304c); section 407 of this Act; and any other provision of law (except applicable labor standards provisions) relating to the acquisition of real property, construction

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of buildings, or leasing of space, shall not apply to purchase contract agreements executed under this section."

Sec. 102. It is not the intention of the Congress that the program authorized by this title shall constitute a substitute for or a replacement of any program for the construction by the United States of such structures as may be required from time to time by the Federal Government.

Sec. 103. This title may be cited as the "Public Buildings Purchase Contract Act of 1954".

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Tit. 40, §265

BUILDINGS AND WORKS GENERALLY

§ 265. Construction, etc., by Administrator of General Services of
buildings for other executive departments or establishments

The Administrator of General Services may, in his discretion, upon the request of the head of any other executive department, independent establishment, or other Federal agency, carry out the construction of any building or buildings for governmental purposes which any such executive department, establishment, or agency may be authorized to have constructed, including the preparation of plans, drawings, designs, specifications, and estimates, the acquisition of land necessary for sites, the execution of contracts, and supervision of construction: Provided, That funds appropriated to other executive departments, independent establishments, or other Federal agencies for the foregoing purposes shall be available for transfer to and expenditure by the Administrator of General Services in whole or in part, either in reimbursement of the proper appropriations of the General Services Administration, for the cost of such work, or as advances to special accounts for the purpose of providing for the prosecution of said work. June 25, 1910, c. 383, § 35, 36 Stat. 699; June 15, 1938, c. 382, 52 Stat. 683; 1939 Reorg. Plan No. I, §§ 301, 303, eff. July 1, 1939, 4 F. R. 2729, 53 Stat. 1427; June 30 1949, c. 288, Title I, § 103, 63 Stat. 380.

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for and Construction
of Public Buildings

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